F800004-0384

Ref. 6 Libya (E)
MR Ref. 15-2 Libya

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EXCISE

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ACTION AF-19

INFO OCT-01 PM-05 NSC-10 SS-20 RSC-01 L-04 CIAE-00 INR-08
NSAE-00 DODE-00 E-15 COM-08 INT-06 TRSE-00 TRSY-11
AID-28 OEP-01 RSR-01 /138 W
107003

R 271325Z MAY 71
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 7743
INFO AMEMBASSY BENGHAZI

DEPARTMENT OF STATE A, C, C, MR
REVIEWED BY CJ DATE 6/22/81
PORTIONS DENIED AS INDICATED

C O N F I D E N T I A L TRIPOLI 1002

SUBJ: PRODUCTION CUTS AND GAS UTILIZATION

1. [redacted] OASIS [redacted] B4
INSTRUCTED BY MINISTRY PETROLEUM MAY 26 TO SHUT-IN OIL
PRODUCTION FROM SECTION OF ITS DAHRA FIELD WHICH OVERLAPS
CONCESSION BOUNDARY WITH MOBIL'S CONCESSION 57, WHERE MOBIL
PORTION OF FIELD IS KNOWN AS HOFRA. [redacted] B4
[redacted] ENTIRE DAHRA/HOFRA FIELD NOW
IS CLOSED. [redacted]

2. MINISTRY'S WRITTEN ORDER CITED AS REASON FOR SHUT-IN NON-
COMPLIANCE WITH ITS PREVIOUS DEMANDS FOR UNITIZATION OF
DAHRA/HOFRA, AS REQUIRED BY PETROLEUM REGULATION
8. HOWEVER, [redacted] B4
[redacted] PRIMARY OBJECTIVE
- FOR WHICH DEMAND FOR UNITIZATION UNDER CONDITIONS INCLUDING
GAS CONSERVATION IS CONVENIENT VEHICLE - IS CONSERVATION,
THROUGH REINJECTION INTO RESERVOIRS GAS CAP, OF ASSOCIATED
GAS NOW BEING FLARED. THIS INTERPRETATION IS CONSISTENT WITH
OTHER PRESSURES BEING EXERTED BY LARG AGAINST ALL OPERATORS
TO CEASE FLARING GAS - ALTHOUGH THIS IS FIRST INSTANCE OF
DIRECT ACTION SUCH AS PRODUCTION CUT. [redacted] B4
[redacted] LARGER CUTS WOULD BE MADE IF AGREEMENT WAS
NOT REACHED PROMPTLY ON UNITIZATION FORMULA WHICH INCLUDED
GAS CONSERVATION SCHEME.

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3. [redacted] B4

4. COMMENT: [redacted] B1

GAS THAN ANY OTHER OPERATOR IN LIBYA. IT SEEMS CLEAR THAT - AS ONE MINISTRY OF PETROLEUM TECHNICIAN RECENTLY SAID - THIS IS YEAR FOR GAS CONSERVATION [redacted] B1

PALMER

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